CHAPTER 12

Economic & Financial

Why This Category Matters

Money doesn’t stop mattering during a disaster; it just stops working the normal way. Card networks and ATMs depend on the same power and internet infrastructure as everything else in this manual, and even when they’re up, price gouging and scams both spike predictably after a disaster. This chapter is about keeping the household financially functional through each tier, from immediate cash access through to a local economy that may not use conventional money at all.

This chapter is general emergency-preparedness guidance, not financial or investment advice; nothing here, including the discussion of precious metals as a historical barter medium, is a recommendation about what to buy, hold, or invest in. For actual investment or financial planning decisions, talk to a licensed financial advisor.

Two Phases: Stored vs. Produced

The same two-phase shift that runs through this manual’s other chapters applies here too, arguably more cleanly than anywhere else: Tier 1 is Phase 1, simple liquidity, having usable cash already on hand. Tier 3 is Phase 2: conventional currency has lost practical value, and the local economy runs on skills, production, and trust instead, less about stockpiling and more about having something genuinely valuable to offer. Tier 2 is the transition: cash itself starts mattering less than goods and skills, but the household is still stretching whatever cash reserve remains rather than fully running on production and trade. Tier 4 is Phase 2 at community scale. Knowing which phase a given plan belongs to is the difference between a plan that runs out and one that doesn’t.

Tier 1: Short-to-Medium Term (Hours – 14 Days)

***Goal:** Phase 1, using what’s already on hand. Access cash when ATMs/banks are offline and manage immediate expenses for evacuation or supplies.*

Tier 1 assumes card networks, ATMs, or banking access may be unreliable for hours to days, while normal commerce is still otherwise functioning. The goal is simple liquidity (having usable cash on hand) plus the paperwork that makes insurance and recovery faster once it starts.

Skills to Build

- **Cash Management:** Store, count, and secure cash reserves safely. Split reserves between a home safe and a portable go-bag amount, so a single access failure (can't get to the safe, or can't get home) doesn't strand you. See the Financial Preparedness Basics skill guide for building the reserve itself.
- **Insurance Claim Filing:** Understand your policy's Additional Living Expenses (ALE) provision before you need it. It reimburses the difference between your normal cost of living and temporary costs after a covered loss (hotel, temporary rent, extra meals), not the full cost, and it's typically capped around 20–30% of your dwelling coverage. Know your specific number in advance. See the Financial Preparedness Basics skill guide for documenting your home before you ever file.
- **Budgeting Under Stress:** Practice prioritizing essential purchases (fuel, water, food, medication) over non-essentials before you're actually doing it under pressure. Decision fatigue makes this measurably harder in the moment.
- **Fraud Detection:** Recognize the scam patterns that reliably spike after disasters: fake contractors demanding upfront payment, impersonators posing as FEMA or insurance representatives, and fraudulent charities. If someone asks for payment before doing verifiable work, or contacts you unprompted claiming to be a government agency, treat it as a red flag by default.
- **Income Continuity Planning:** Know your employer's actual disaster/emergency leave policy before you need it. Many employers have one, but most employees have never read it. If remote work is possible, confirm in advance what you'd actually need to make it work (power and connectivity; cross-reference the Energy & Heat and Communication chapters). If self-employed, treat business continuity as seriously as household continuity: a backup way for clients to reach you, business records backed up per the Digital Data & Documents chapter, and a clear sense of how long the business can survive with reduced or no income.

Go deeper: the Economic & Financial Addendum builds these into real, tested competency. For the hands-on how-to, see Financial Preparedness Basics and Barter & Local Trade Systems.

Tech & Equipment

- **Cash Counting Tray:** Optional; useful only if managing a larger reserve or helping neighbors count/verify cash.
- **Secure Storage:** A fireproof/waterproof safe or a hidden diversion safe for cash. Cross-reference the Digital Data & Documents chapter's guidance on matching a safe's UL rating to what's actually stored inside it.
- **Calculator:** For manual transaction tracking if phones/apps are unavailable. A $5 item that removes real friction from tracking money by hand.

Materials & Supplies

Item	Quantity / Spec	Notes
Small-denomination cash	$1,000+ in $1, $5, $10, $20 bills	ATMs will be empty or offline; large bills are hard to use for small purchases and harder for a stressed cashier to make change for.
Insurance policy copies	Physical + digital, home/auto/health	Cross-reference the Digital Data & Documents chapter's 3-2-1 backup approach for these specifically.
Inventory photos/video	Digital proof of home contents	Same video-walkthrough technique described in the Digital Data & Documents chapter; faster claims processing starts with better documentation.
Contact list	Insurance agent, bank, credit card numbers, offline copy	A phone-stored list is useless once the phone dies; keep a printed copy with the cash reserve.

Know Your Legal Protection Against Price Gouging

Utah’s Price Controls During Emergencies Act (Title 13, Chapter 41) makes it illegal to charge excessive prices (generally more than 10% above the pre-emergency average) on necessities during a declared state of emergency. It’s enforced by the Utah Attorney General’s office, and the Division of Consumer Protection has a real track record of ordering refunds. Report suspected price gouging to them; you have a legal remedy, not just a grievance. Note this protection applies specifically during an active declared emergency; it doesn’t necessarily extend to a Tier 3–style prolonged breakdown where formal government enforcement may no longer be functioning.

Quick Checklist

- [ ] $1,000+ cash in small bills, split between home safe and portable reserve
- [ ] Insurance policy’s specific ALE percentage/cap known in advance
- [ ] Insurance, bank, and credit card contact info printed and stored offline
- [ ] Home inventory video/photos current and backed up
- [ ] Household can recognize common post-disaster scam patterns
- [ ] Utah Attorney General price-gouging reporting contact known
- [ ] Employer’s disaster/emergency leave policy read and understood

- [ ] Self-employed household members have a business continuity plan (client contact backup, records backed up, runway estimate)
- [ ] Practiced: household has discussed spending priorities (essentials-first) before an actual emergency forces the decision

Tier 2: Extended (2 Weeks – 3 Months)

***Goal:** Phase 1-to-2 transition, still spending down cash while trade begins to matter. Stretch cash reserves, navigate a broken banking system, and begin transitioning to local trade.*

Tier 2 assumes normal banking and commerce are unreliable for an extended period, and that cash itself may become less useful than goods and skills for getting what the household actually needs. This is where barter begins to matter, alongside continuing to stretch whatever cash reserve remains.

Skills to Build

- **Barter Negotiation:** Trade fairly in a local, unregulated economy. A reputation for fair dealing is worth more than a single good trade, since you'll likely be trading with the same neighbors repeatedly. See the Barter & Local Trade Systems skill guide for what real historical barter economies reveal about this, and where they tend to fail.
- **Record Keeping:** Maintain manual ledgers for debts, trades, and expenses. Memory is unreliable under stress and across many small transactions, and a written record prevents disputes before they start.
- **Price Assessment:** Understand that scarce goods (fuel, batteries, medications) become genuinely more valuable in a disrupted local economy. This isn't the same as illegal price gouging by a retailer; it's the reality of informal trade between individuals once the legal gouging protections above no longer straightforwardly apply.
- **Community Banking:** Organize informal lending or resource-sharing pools with neighbors, the financial equivalent of the mutual aid pacts described in other chapters.

Go deeper: the Economic & Financial Addendum builds these into real, tested competency. For the hands-on how-to, see Financial Preparedness Basics and Barter & Local Trade Systems.

Tech & Equipment

- **Manual Ledger System:** Bound notebooks for tracking all transactions. Bound (not loose-leaf) makes pages harder to lose or dispute after the fact.

- **Scale:** For weighing bulk goods (food, fuel, ammunition) to ensure fair trade. Disputes over quantity are one of the most common sources of trade conflict.
- **Secure Storage:** A lockbox or hidden cache for cash and valuable trade goods, separate from the Tier 1 home safe to avoid a single point of failure.

Materials & Supplies

Item	Quantity / Spec	Notes
Barter inventory	Alcohol, tobacco, coffee, sugar, salt, batteries, hygiene products, OTC meds	High shelf-stability and broad demand make these reliable trade goods. Cross-reference the Water & Food, Sanitation & Hygiene, and Medical Care chapters' bulk supply guidance.
Receipts/invoices	Paper forms for trades or loans	Formalizes informal trades; reduces disputes and creates a record if the relationship or memory later disagrees.
Precious metals	Small amounts of silver/gold coins (optional)	Historically used as a barter medium of last resort during economic disruption due to durability and broad recognizability. This is general historical context, not investment guidance; consult a licensed financial advisor for any investment decision.
Fuel reserves	Stabilized gasoline/diesel or propane	High trade value; cross-reference the Energy & Heat chapter's fuel storage and stabilization guidance.

Quick Checklist

- [ ] Barter inventory stocked with broadly recognized, high-demand goods
- [ ] Manual ledger system in place and understood by relevant household members
- [ ] Scale on hand for verifying bulk trade quantities
- [ ] Secure storage for trade goods separate from the primary cash safe
- [ ] Community resource-sharing/lending arrangements discussed with trusted neighbors
- [ ] Practiced: at least one household member has conducted a practice trade negotiation

Tier 3: Permanent (Indefinite)

***Goal:** Phase 2, producing and trading rather than spending down a reserve. Establish a sustainable local economy based on skills, production, and mutual aid. Cash becomes worthless.*

Tier 3 assumes conventional currency has lost practical value, and the local economy runs on skills, production, and trust instead. This is less about stockpiling and more about the household, and community, having something genuinely valuable to offer on an ongoing basis.

Skills to Build

- **Skill Valuation:** Trade high-value skills (medical, mechanical, farming, security) directly for food or shelter. A practiced, credentialed skill (see the Medical Care and Security & Self-Defense chapters' training guidance) is a renewable asset in a way a stockpile isn't.
- **Community Governance:** Establish fair trade rules, dispute resolution processes, and credit systems collectively. An economy without agreed rules degrades into exactly the kind of conflict the Security & Self-Defense chapter's community governance guidance is meant to prevent.
- **Production Economics:** Manage supply and demand for locally produced goods (crops, livestock, crafts). Understand that overproducing one good crashes its trade value the same way it would in a formal market.
- **Resource Accounting:** Track community assets (tools, seeds, fuel) for long-term sustainability. You can't manage what isn't tracked, and shared resources without accounting tend to be over-consumed by whoever gets there first.

Go deeper: the Economic & Financial Addendum builds these into real, tested competency. For the hands-on how-to, see Financial Preparedness Basics and Barter & Local Trade Systems.

Tech & Equipment

- **Community Ledger:** A centralized record-keeping system for all trades and debts, the community-scale version of Tier 2's household ledger.
- **Standardized Weights/Measures:** Calibrated scales and measures for fair trade. A community-wide standard prevents the disputes that come from every household using a different reference.
- **Secure Vault:** A community safe for shared valuables or trade reserves, with clear access rules agreed on in advance.

Materials & Supplies

Item	Quantity / Spec	Notes
Skill directory	Printed list of community members' skills/services	Makes trade actually efficient; no one has to remember or ask around who can do what.
Trade goods	Bulk salt, alcohol, ammunition, tools, medical supplies	Functions as a de facto community currency due to broad, reliable demand.
Local scrip	Community-issued tokens or notes (optional)	A real historical pattern (local/complementary currencies have existed for centuries) for facilitating trade within a defined community without relying on external currency.
Production tools	Seeds, livestock, hand tools	Generates ongoing tradeable surplus rather than a one-time stockpile. Cross-reference the Water & Food chapter's Tier 3 production guidance.

Quick Checklist

- [ ] Household's tradeable skills identified and practiced, not just theoretical
- [ ] Community trade rules and dispute resolution process established
- [ ] Community ledger and standardized weights/measures in use
- [ ] Skill directory compiled and distributed within the community
- [ ] Production tools (seeds, livestock, hand tools) generating actual ongoing surplus
- [ ] Practiced: at least one skill successfully traded for goods or shelter within the community

Tier 4: Thriving (Sustainable Community)

Goal: *Phase 2 at community scale. Formalize the community's economy (currency, credit, and trade infrastructure) so prosperity is shared and durable rather than dependent on informal goodwill.*

Tier 3's economy runs on informal trust and memory; that works at small scale but breaks down as a community grows or as original participants are lost. Tier 4 formalizes what Tier 3 started, turning the informal trade rules, ledgers, and mutual aid pacts scattered across this manual's other chapters into an actual functioning local economic system.

Skills to Build

- **Currency/Credit System Design:** Formally design and manage a local scrip or credit system, including how it's issued, backed, and kept from being counterfeited or over-issued, the same discipline a real currency requires, at community scale.
- **Economic Dispute Resolution:** Extend the community governance work from Tier 3 into a real, trusted process for resolving trade and debt disputes. Economic trust, once broken, is hard to rebuild.
- **Apprenticeship & Skill Transfer:** Formalize skill-teaching as part of the economy. A community that trades only in existing skills stagnates; one that also trades in teaching those skills compounds its capability over time.
- **Market Organization:** Organize recurring trade events (a regular market day). Predictable, scheduled trade is dramatically more efficient than ad hoc individual trades and strengthens the community connections described in the Mental Health chapter's Tier 2 guidance.

Go deeper: the Economic & Financial Addendum builds these into real, tested competency. For the hands-on how-to, see Financial Preparedness Basics and Barter & Local Trade Systems.

Tech & Equipment

- **Formal Scrip/Token System:** Physically durable, hard-to-counterfeit tokens or notes if the community has settled on a local currency. Simple anti-counterfeiting measures (unique markings, a controlled ledger of serial numbers) matter even at small scale.
- **Community Market Infrastructure:** A designated space and schedule for recurring trade, building on the Mental Health chapter's community gathering space.
- **Distributed Ledger Copies:** Multiple households holding copies of the community ledger, the financial-record equivalent of the Digital Data & Documents chapter's distributed archive, preventing any single lost ledger from erasing the community's economic memory.

Materials & Supplies

Item	Quantity / Spec	Notes
Community credit reserve	Backing for any local currency/credit system	Whatever the community has agreed backs its scrip: goods, skills-hours, or another shared standard.
Market infrastructure materials	Tables, signage, scheduling materials	Low-cost, high-leverage; the main barrier to a functioning market is usually coordination, not equipment.
Apprenticeship materials	Teaching aids for community skill-transfer	Builds on the shared reference libraries established in other chapters.

Quick Checklist

- [ ] Local currency/credit system (if used) formally designed with anti-counterfeiting basics
- [ ] Economic dispute resolution process trusted and actually used by the community
- [ ] Regular market/trade event scheduled and running
- [ ] Skill apprenticeship/teaching formalized as part of the local economy
- [ ] Community ledger distributed across multiple households
- [ ] Practiced: at least one full market day held with multiple households participating

At a Glance: Economic & Financial Across All Tiers

A single-page reference for planning purposes. This does not replace the detailed guidance above, and it is not financial or investment advice; use it to see how the plan scales, not as a standalone checklist.

Tier	Phase	Duration	Primary Medium	Key Skill
Tier 1	Phase 1	Hours – 14 days	Cash	Insurance/ALE knowledge, fraud detection
Tier 2	Transition	2 weeks – 3 months	Cash + barter goods	Barter negotiation, manual ledgers
Tier 3	Phase 2	Indefinite	Skills and production	Skill valuation, community governance
Tier 4	Phase 2	Sustainable community	Formal local currency/credit	Currency design, market organization